

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

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In re Patent Application of:  
Peter C. Cramton et al.

Application No.: 09/740,930

Confirmation No.: 7304

Filed: December 21, 2000

Art Unit: 3628

For: SYSTEM AND METHOD FOR THE  
EFFICIENT CLEARING OF SPECTRUM  
ENCUMBRANCES

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Examiner: F. Poinvil

**REPLY BRIEF**

MS Appeal Brief - Patents  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Dear Sir:

This Reply Brief is filed in reply to the Examiner's Answer mailed February 7, 2007.

**INTRODUCTION**

The substantive portion of the Answer covers pages 3-11. Paragraph 9 (pages 3-7) is a copy of the Final Rejection. The substantive response to Appellant's Brief is found in paragraph 10, at pages 7-11. Because the Examiner has presented new arguments, this Reply is necessary.

In this appeal all claims are rejected on a combination of two references, Rackson and Fritts.

Appellant's brief sets forth relevant legal principles (which are not challenged in the Answer), in part, as follows:

“[A]ll words in the claim must be considered in judging the patentability of the claim against the prior art.” *In re Wilson*, 165 USPQ 494, 496 (CCPA 1970).

As noted in Section 706.02(j) MPEP, three criteria must be met in order to establish a *prima facie* case of obviousness. The third criterion is:

“Finally, the prior art reference (or references when combined) must teach or suggest **all** the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on applicant's disclosure.” (emphasis added)

A. One set of the rejected claims call for “constraining” bids

Five of the independent claims recite:

(51) constraining the received bids by accepting only bids which satisfy a *constraint based on bids in the second auction*,

(75) means for constraining the inputted bids by accepting only bids which satisfy a *constraint , based on bids for the second set of items in the second auction*,

(99) constraining the received bids in the first auction by accepting only bids which satisfy a *constraint based on bids for the second set of items in the second auction*,

(100) means for constraining the inputted bids in the first auction by accepting only bids which satisfy a *constraint based on bids for the second set of items in the second auction*,

(103) constraining the received bids in the first auction by accepting only bids which satisfy a *constraint based on bids for the second set of items in the second auction*.

The first major argument of Appellant's brief is that neither reference discloses a constraint on received or inputted bids **based on bids in a second or related auction** (pp 18-19 of the brief). The response to this argument is found at pages 9-10 of the Answer. Here the Examiner argues that:

“in most auctions, bids are usually being constrained based on the desired amount, quantity and price that the bidder is placed on the desired item. Furthermore, it should be noted that if all three items are desired, this in itself is a type of constraints since the service provider only desires all three licenses not one or two different licenses because all three licenses are complementary licenses. Fritts further states that ‘strong synergies exist among licenses and preferences by bidders. From this passage, **it would have been obvious** to one of ordinary skill in the art to note that a service provider would desire complementary licenses to cover a wide geographic area or so as to provider different types of communications services thereby increasing market size and potential profit of that service provider.” (emphasis added)

Observe that the Answer misconstrues the term “constraint” by referring to limits on bids which are placed **by the bidder** in creating the bid. The Appellant's brief (as well as the language of the disclosure and the language of the claims) makes clear that a “constraint” on a bid is imposed by an entity **other than the bidder** – else it would not be a constraint. In each example given in the Answer, the limits on the bid found in the references are those placed by the bidder, and thus are not constraints as recited in the claims. At the very least a bid is not a bid until it is placed and, as described in Rackson, once a bid is placed by the bidder the bid cannot be affected by the bidder.

The Answer fails to correct the error in the final rejection, specifically violating two basic tenets of any §103 rejection.

In the first place the Answer **ignores** the language which is actually in the claims to the effect that the *constraint placed on a bid is based on bids in another auction*. There is no mention of this subject matter in the Answer (or in either of the references).

In the second place the Answer attempts to support a 103 rejection where neither reference discloses a substantial part of the claimed combination, i.e., neither the Answer nor the references describe an auction where a bid is constrained *based on bids in another auction*.

The rejection should be reversed because:

1. Neither of the references nor the Answer describes a “constraint” on a bid as recited in these claims.
2. Neither of the references nor the Answer describes a “constraint” which is “based on bids in another auction” as recited in these claims.

B. The other set of rejected claims relate to auctions where bids are conditioned on the outcome of another auction

The other five independent claims recite:

(63) b) accepting bids from bidders for items in the first set of items, at least one of the bids from one of the bidders **conditional on said bidder winning a complementary item in the second auction**,

(87) b) means for inputting bids from bidders for items in the first set of items, at least one of the bids from one of the bidders **conditional on said bidder winning a complementary item in the second auction**,

(101) c) receiving bids from bidders for items in the first set of items, at least one of the bids from one of the bidders **conditional on said bidder winning a complementary item in the second auction,**

(102) c) means for accepting bids from bidders for items in the first set of items, at least one of the bids from one of the bidders **conditional on said bidder winning a complementary item in the second auction,**

(104) c) accepting bids from bidders for items in the first set of items, at least one of the bids from one of the bidders **conditional on said bidder winning a complementary item in the second auction,**

The second major argument in Appellant's brief is that neither reference describes an auction where bids are conditional on "winning a complementary item" in another auction (pp. 19-21).

The Answer notes (p. 11) "the rules and preferences described by Rackson et al are similar to conditions that must satisfy the preferences of a bidder as set forth by the bidder. Thus eliminating any of the conditional bids which fail to satisfy certain conditions would have been apparent or obvious to the one of ordinary skill in the art because simply they do not meet the desirability and preferences of the bidder."

This passage in the Answer also violates the same two tenets (ignoring the claim content and relying on a combination of references neither of which disclose one or more features of the rejected claim). The "rules and preferences described by Rackson et al" relate to the value of a bid<sup>1</sup> and not to a conditional bid. The thrust of Rackson (and the thrust of the Examiner's

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<sup>1</sup> Rackson describes a multi-auction service which provides one set of services to sellers and different services to buyers. The service offered to sellers is described at 6:63-7:17. The service offered to buyers, on which the Examiner relies here is described at 7:18-37 and at 23:30-24:57. It is apparent that the function of this service is to create a bid (or bids) which satisfy the buyer. There is no suggestion in Rackson that one way to create such a bid is to create a bid which is conditional. The service described in Rackson does not provide a bid which is conditioned, much less a bid in one auction which is conditioned on the outcome of another auction.

argument) bears no relation to an auction where a bid is conditioned on the outcome of another auction. Thus the argument ignores the words of the claims (see the emphasized portion of the claims). Furthermore neither reference describes an auction where bids are conditional on “winning a complementary item” in another auction.

There is nothing in the Answer which undercuts the patentability of the rejected claims. Appellant requests the rejection be *reversed*.

Applicant believes no fee is due with this response. However, if a fee is due, please charge our Deposit Account No. 22-0185, under Order No. 21736-00011-US from which the undersigned is authorized to draw.

Dated: April 6, 2007

Respectfully submitted,

By Stanley B. Green  
Stanley B. Green

Registration No.: 24,351  
CONNOLLY BOVE LODGE & HUTZ LLP  
1990 M Street, N.W., Suite 800  
Washington, DC 20036  
(202) 331-7111  
(202) 293-6229 (Fax)  
Attorney for Applicants

531267